

Message Text

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QUOTE

S E C R E T STATE 269617

LIMDIS

E.O. 11652: GDS

TAGS: PFOR, PN

SUBJECT: U.S.-PANAMA TREATY NEGOTIATIONS: AN OVERVIEW.

FOR CHIEFS OF MISSION FROM ROGERS

----- I.

A. THERE ARE SOME FACTS AND NUANCES YOU SHOULD BE AWARE OF
RESPECTING THE COURSE OF NEGOTIATIONS AS YOU AND OFFICERS
OF YOUR STAFF HAVE OCCASION TO DISCUSS "THE PANAMA PROBLEM"

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WITH HOST-COUNTRY NATIONALS, OFFICIAL AND PRIVATE.

II.

A. WHEN AMBASSADOR BUNKER ASSUMED RESPONSIBILITY FOR THE NEGOTIATIONS IN AUGUST OF 1973, HE INHERITED PRESIDENTIAL NEGOTIATING INSTRUCTIONS DATING FROM 1971.

B. THEY PROVED TO BE ADEQUATE TO PERMIT CONCLUSION OF THE "JOINT STATEMENT OF PRINCIPLES" OF FEBRUARY 7, 1974, AND ALSO TO PERMIT CONCLUSION OF "CONCEPTUAL AGREEMENTS" WITH THE PANAMANIAN IN NOVEMBER OF THAT YEAR RELATING TO THREE OF THE SEVEN MAJOR ISSUES IN THE NEGOTIATION:

-- HOW THE CANAL SHALL BE DEFENDED UNDER A NEW TREATY;
-- HOW IT SHALL BE OPERATED; AND
-- HOW PANAMA SHALL ASSUME JURISDICTIONAL FUNCTIONS WHILE THE UNITED STATES RETAINS "RIGHTS OF USE" CRITICAL TO ITS CONTINUED CONTROL OVER CANAL OPERATION AND DEFENSE IN THE TREATY PERIOD.

C. IT WAS CLEAR, HOWEVER, THAT THE EXISTING INSTRUCTIONS DID NOT CONTAIN SUFFICIENT FLEXIBILITY TO PERMIT OUR NEGOTIATORS TO PROCEED TO ADDRESS THE REMAINING ISSUES WITH REASONABLE HOPE OF CONCLUDING CONCEPTUAL AGREEMENTS. CONSEQUENTLY THE DEPARTMENT OF STATE INITIATED THE PROCESS OF REQUESTING FRESH INSTRUCTIONS FROM THE PRESIDENT.

D. AS IT DID SO, HOWEVER, THE NEGOTIATORS WERE ABLE TO CONCLUDE WITH PANAMA A SATISFACTORY DRAFT STATUS OF FORCES AGREEMENT.

E. THE PROCESS OF OBTAINING NEW INSTRUCTIONS REQUIRED THE RESOLUTION OF A NUMBER OF DIFFERENCES BETWEEN THE DEPARTMENTS OF STATE AND DEFENSE. FINALLY, ON AUGUST 18 LAST, THE PRESIDENT SIGNED A NATIONAL SECURITY DECISION MEMORANDUM INCORPORATING THE AGREED VIEWS OF THE TWO DEPARTMENTS.

F. PANAMA WAS AWARE THAT THIS MONTHS-LONG PROCESS OF RESOLVING DIFFERENCES IN WASHINGTON AND OBTAINING NEW
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INSTRUCTIONS WAS AS CRITICAL TO THE LONG-RUN COURSE OF THE NEGOTIATIONS AS MEETINGS BETWEEN THE TWO NEGOTIATING TEAMS.

G. BUT PANAMA'S DOMESTIC POLITICAL POSITION -- AND, FOR THAT MATTER, ITS INTERNATIONAL POSITION -- WERE NOT SUCH AS TO ALLOW IT TO WAIT QUIETLY FOR OUR NEGOTIATORS TO OBTAIN NEW INSTRUCTIONS. AND IN THE UNITED STATES, SIMULTANEOUSLY, THERE WAS A BARRAGE OF CONGRESSIONAL AND

PRIVATE ATTACKS ON THE CONTINUATION OF THE NEGOTIATIONS.

H. IT WAS A TROUBLESOME PERIOD FOR BOTH PARTIES.

I. WITH NEW AND MORE FLEXIBLE PRESIDENTIAL INSTRUCTIONS, HOWEVER -- AND WITH PUBLIC AFFIRMATION OF SUPPORT FOR THE TREATY NEGOTIATIONS ON THE PART OF THE DEPARTMENT OF DEFENSE AND THE JOINT CHIEFS OF STAFF -- THE NEGOTIATORS RETURNED TO PANAMA IN EARLY SEPTEMBER TO PRESENT A NEW OFFER.

----- III.

A. THIS OFFER WAS IN THE FORM OF A PROPOSED "PACKAGE".

IT ADDRESSED EACH REMAINING MAJOR ISSUE IN THE NEGOTIATION (SEE NOTE AT MESSAGE END). IT EMBODIED IMPROVEMENT FROM PANAMA'S VIEWPOINT OVER THE PREVIOUS POSITIONS OF THE UNITED STATES ON ALL OF THOSE ISSUES -- SIGNIFICANT IMPROVEMENT IN THE CASE OF MOST OF THEM. IT WAS "NEGOTIABLE".

B. IN SHORT, IT CONSTITUTED A MARKED MOVEMENT BY THE UNITED STATES TOWARD PANAMA'S ANNOUNCED POSITIONS ON THE ISSUES IN QUESTION, INTENDED TO TRIGGER CORRESPONDING MOVEMENT ON PANAMA'S PART.

C. THE PANAMANIAN'S DID NOT RESPOND, HOWEVER. PERHAPS THEY HAD EXPECTED MORE FROM THE UNITED STATES IN THE WAY OF AN "OPENER'S" OFFER. PERHAPS THEY FOUND IT TOO COMPLEX, TOO IMPORTANT TO THEM, TO HANDLE AS A "PACKAGE".

D. MINISTER BELL RETURNED TO PANAMA SHORTLY AFTER AMBASSADOR SECRET

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SADOR BUNKER HAD LAID THE OFFER ON THE TABLE, TO "CLARIFY" THE OFFER, EXPLAINING TO THE PANAMANIAN'S OUR FORTHCOMING INTENTIONS AND SPELLING OUT THE IMPLICATIONS FOR THEM.

E. ON OCTOBER 29 PANAMA'S DEPUTY NEGOTIATOR PRESENTED A COUNTEROFFER IN WASHINGTON. THIS WAS NOTABLE FOR ITS NON-POLEMIC NATURE AND CONTAINED VAGUE HINTS OF THE POSSIBILITY OF COMPROMISE. YET IT APPEARED TO REPRESENT LITTLE, IF ANY, OF THE MOVEMENT TOWARD OUR POSITIONS WHICH WE HAD HOPED TO TRIGGER.

F. OUR NEGOTIATORS PLAN TO RETURN TO PANAMA LATER THIS MONTH WITH A RESPONSE. THE SUBSTANTIVE AND TACTICAL NATURE OF IT THEY HAVE YET TO DECIDE. THEIR OVERALL OBJECTIVE, HOWEVER, IS TO ESTABLISH (1) MOMENTUM IN THE

NEGOTIATION -- A PACE NEITHER SLOW NOR RAPID BUT, RATHER, "CAREFUL" -- AND (2) A STYLE THAT IS WORKMANLIKE AND UNACCOMPANIED BY THEATRICALS.

G. THEY WILL BE SEEKING TO REACH A QUANTITY OF AGREEMENTS "IN CONCEPT" SUFFICIENT TO SATISFY PANAMA, PRIOR TO THE 12TH ANNIVERSARY OF THE 1964 STUDENT RIOTS NEXT JANUARY, THAT THERE IS "STEADY NEGOTIATING PROGRESS".

H. IN THE EVENT THAT PACE AND STYLE OF NEGOTIATION CAN BE PURSUED, OUR NEGOTIATORS ESTIMATE THAT IT WOULD TAKE UNTIL LATE IN 1976 TO HAVE A DRAFT TREATY IN HAND -- IF, INDEED, THERE IS A TREATY TO BE HAD WITH PANAMA AT THIS POINT IN HISTORY.

----- IV.

A. IT WOULD BE A TRIUMPH OF HOPE OVER EXPERIENCE TO EXPECT THAT, EVEN WERE STEADY NEGOTIATING PROGRESS TO BE OBTAINABLE, PANAMA WOULD DESIST FROM KEEPING CONSTANT PRESSURE ON THE UNITED STATES IN THE INTERNATIONAL COMMUNITY -- BY ALL MEANS AVAILABLE TO IT. NEITHER CAN WE REASONABLY EXPECT THAT PANAMA WILL DESIST FROM PERIODIC EXPOSURES OF THE "STATE OF THE NEGOTIATIONS".

B. AND, AS NEGOTIATIONS PROCEED AND THE OPPONENTS OF A
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TREATY IN THIS COUNTRY SENSE FORWARD MOVEMENT, THEIR CAMPAIGN AGAINST A NEW TREATY WILL MOUNT. THAT COULD BE PARTICULARLY TROUBLESOME IN A YEAR OF NATIONAL ELECTIONS.

C. IT FOLLOWS THAT WE CAN EXPECT A ROUGH ROAD AHEAD, AND MUST GIRD FOR IT.

----- V.

A. IN AN EFFORT TO BE HELPFUL IN CALMING PANAMA'S DOMESTIC POLITICAL ENVIRONMENT, AND TO ESTABLISH THAT THE UNITED STATES IS TRULY SERIOUS ABOUT REACHING FOR A NEW WAY OF LIFE BETWEEN THE PANAMANIAN AND AMERICAN PEOPLE RESPECTING THE PANAMA CANAL, WE ARE UNDERTAKING A SERIES OF "UNILATERAL UNITED STATES ACTIONS". BROADLY DESCRIBED, THEY WILL TEND TO (1) MODERATE OUR OVERWHELMING PRESENCE IN THE CANAL ZONE AND/OR (2) STIMULATE ECONOMIC DEVELOPMENT IN THE REPUBLIC. WE INTEND TO PHASE THESE OVER THE COURSE OF THE NEGOTIATIONS.

----- VI.

A. SIMULTANEOUSLY WE ARE INTENSIFYING THE EFFORT TO BUILD DOMESTIC SUPPORT FOR A TREATY. EXTENSIVE CONSULTATIONS, ON A CONFIDENTIAL BASIS, ARE UNDERWAY IN THE CONGRESS. SENIOR UNITED STATES OFFICIALS ARE MAKING SPEECHES, PARTICIPATING IN SEMINARS, AND BRIEFING KEY PRIVATE SECTOR GROUPS (STUDENTS, BUSINESS AND LABOR ASSOCIATIONS, CITIZEN GROUPS, EDITORIAL BOARDS) THROUGHOUT THE COUNTRY. AS YOU KNOW, THE PRIMARY PROBLEM IS IGNORANCE RATHER THAN ANTI-PATHY. I AM GLAD TO BE ABLE TO REPORT WE ARE HAVING SOME SIGNIFICANT SUCCESSES IN THIS EFFORT.

----- VII.

A. THIS NEGOTIATION REMAINS CRITICAL TO THE COURSE OF OUR RELATIONSHIPS WITH THE REST OF THE NATIONS OF THE

HEMISPHERE, AND IS FAR FROM UNIMPORTANT OTHERWISE. SUCCESSFUL CONCLUSION OF A NEW TREATY WITH PANAMA IS INCREASINGLY
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INGLY REGARDED AS A SHARP TEST OF OUR COUNTRY'S MOTIVATIONS.

B. I WOULD APPRECIATE YOUR KEEPING ME AND THE UNITED STATES NEGOTIATORS FULLY INFORMED OF ANY DEVELOPMENTS OF THOUGHT IN YOUR AREA WHICH BEAR ON OUR PASSING THIS TEST WELL.

NOTE: THE REMAINING "MAJOR" ISSUES ARE: (1) UNDER WHAT TERMS THE CANAL'S CAPACITY MAY BE EXPANDED; (2) HOW MUCH PANAMA SHALL BE COMPENSATED ANNUALLY FOR THE UNITED STATES USE OF ITS TERRITORY; (3) WHICH LAND/WATER AREAS IN THE PRESENT CANAL ZONE SHALL REVERT TO PANAMA, AND WHICH SHALL BE RETAINED BY THE UNITED STATES FOR THE TREATY PERIOD UNDER A SYSTEM OF "RIGHTS OF USE"; AND (4) HOW LONG THE NEW TREATY SHALL LAST, IN TERMS OF CANAL OPERATION AND CANAL DEFENSE.

OTHER ISSUES WHICH THE PARTIES HAVE CHOSEN NOT TO CATEGORIZE AS "MAJOR" BUT WHICH ARE, IN FACT, IMPORTANT TO ONE OR THE OTHER OR BOTH: (1) HOW THE NEUTRALITY OF THE WATERWAY WILL BE PERMANENTLY GUARANTEED; (2) HOW THE NEW ENTITY TO BE CREATED FOR THE CANAL'S OPERATION SHALL BE STRUCTURED; (3) HOW CIVILIAN AMERICAN EMPLOYEES OF THE PRESENT CANAL COMPANY WILL BE TREATED; (4) WHETHER ANY COMPONENTS OF THE TREATY WILL BE SUBJECT TO ARBITRATION; (5) WHETHER THE UNITED STATES SHALL HAVE SOME MEASURE OF INVOLVEMENT WITH CANAL DEFENSE IN THE POST-TREATY PERIOD; AND (6) UNDER WHAT TERMS THE UNITED STATES MAY CONTINUE

CERTAIN ACTIVITIES WHICH ARE NOT RELATED TO CANAL DEFENSE
(OUR VARIOUS MILITARY SCHOOLS, FOR EXAMPLE). KISSINGER
UNQUOTE KISSINGER

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